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GENERAL

1. No unusual Soviet troop movements in Rumania -- In response to a query from the Department of State concerning reports of heavy Soviet troop movements in Rumania and the possibility of an attack on Yugoslavia about 1 March, US Embassy Bucharest replies it has no evidence of any unusual troop movements in Rumania. The Embassy has received similar negative reports from British, Italian, French, Austrian, Yugoslav, Swedish, Turkish, and Israeli representatives in Bucharest. The Embassy does have reliable reports of "many tanks and considerable activity" among Soviet forces at Timisoara and other places near the Yugoslav frontier, but considers these attributable to the normal operations of the one or two Soviet divisions which have been stationed in that area for some time. The Embassy regards the recent rumors of Rumanian-Yugoslav tension as "likely planted."

US Embassy Budapest, in response to the same query from the Department of State, reports it has seen no signs of unusual activity.

2. Poles woo Latin American diplomats in Brussels—US Embassy Brussels reports that the Polish Minister there recently entertained all chiefs of mission of those Latin American countries with which Poland has diplomatic relations. During this occasion, the Polish Minister reportedly harangued the Latin Americans along the lines of the Soviet "partisans of peace" campaign and stressed that Stalin's Pravda interview was based on a sincere desire for a lessening of tensions in the world. According to

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an account by the Uruguayan Minister, however, this attempt to influence the Latin American diplomats "backfired" when the Polish Minister asserted that their countries had permitted themselves to be made dupes of the US. This remark aroused the mission chiefs to tell the Pole in "no uncertain terms" that US and Latin American representatives consulted on terms of equality and that any joint policies were certainly not the result of submission by other American representatives to US dictation.

FAR EAST

3. INDOCHINA: Chinese Communist capabilities increased—The US Military Attache in Saigon considers, judging from recent "fairly well verified" reports that the Chinese Communists are reinforcing the Indochinese border areas, that the Chinese Communists are greatly intensifying their capabilities to intervene without warning in Indochina. He believes the period just before the rainy season (1 April-15 May) to be the most likely for such action. The MA adds that the French are apparently confident of holding against Viet Minh efforts but are decidedly uneasy regarding possible Chinese Communist intervention.

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